

IRS News Release

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People Can Avoid Common Errors that Delay Stimulus Payments

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WASHINGTON — People who are awaiting an economic stimulus payment or who have yet to file can avoid common errors that may delay their payment. They also can use the IRS Web site to answer most common questions.

The Internal Revenue Service, which is still issuing economic stimulus payments, has been studying trends and common issues in filing errors and questions posed by people calling its customer service telephone lines.

The most common question posed to the IRS is from people wondering when they will receive their stimulus payment. The question can be answered easily by going to IRS.gov and using the “Where’s My Economic Stimulus Payment?” Web tool.

Here’s how to avoid common mistakes:

- **File only one tax return** – People should file only one 2007 tax return. It takes the IRS up to 12 weeks to process paper returns and issue the stimulus payments. However, some people are filing more than one tax return in an effort to receive a stimulus payment, which could further delay their stimulus payment. The IRS is concerned there will be more multiple filings as the October 15 deadline approaches for filing a return in 2008.
- **List qualifying income** – Some people are listing their monthly income instead of annual income. People must list their annual amount of qualifying income to be eligible for the minimum payment of \$300 (\$600 married filing jointly.) The qualifying income required by law is at least \$3,000 in benefits from Social Security, Veterans Affairs and Railroad Retirement, earned income and/or combat pay.
- **Review Your Tax Liability** – Some people who have either small amounts of tax liability or no tax liability are getting smaller stimulus payments than they expected or none at all. Generally, the law provided for a maximum stimulus payment of \$600 (\$1,200 for married couples) or an amount equal to a taxpayer’s tax liability, whichever was less. Tax liability is the net amount of federal income taxes paid after deductions and credits. If people had no tax liability but had at least \$3,000 of “qualifying income” from specific sources, they would be eligible for \$300 (\$600 for married couples.) There also is a \$300 payment for each qualifying child.

- Amended return – Generally, people cannot file an amended return solely to get an economic stimulus payment unless they are a retiree, veteran or have other “qualifying income.” While amended returns will be processed to correct the income, deductions and income tax as appropriate, the economic stimulus payment amount will not be adjusted based on an amended return. If people do not receive a payment this year, they can claim it when they file their tax return in 2009.
- Use Most Current Address – People must use their most current address in order to receive a timely payment. People who change addresses after filing should complete Form 8822 and a change of address card with the U.S. Postal Service. If the postal service is unable to deliver the payment, it is returned to the IRS.

People must file a 2007 tax return by October 15 in order to receive the economic stimulus payment this year, even if they normally do not have a filing requirement because their income is too low or not taxable. The IRS already has issued 90 percent of the economic stimulus payments but will continue to issue payments through December.

For people who filed a 2007 tax return eight to 12 weeks ago but who have not received a payment, the quickest and easiest way to track the status of the payment is to go to “Where’s My Economic Stimulus Payment?” on IRS.gov. The online tool will report when the payment has been issued. People will need their Social Security Number, their filing status and the number of exemptions claimed on their tax return to use this tool.

The IRS online tool also can report other issues, such as ineligibility because income was too high or the returning of an undeliverable payment to the IRS.

The economic stimulus payment begins to phase out for individuals whose income is \$75,000 or more and for joint returns with income of \$150,000 or more. To be eligible, a person cannot be a dependent or eligible to be a dependent of another person. To be eligible, an individual must have a valid Social Security Number unless his or her spouse serves in the military. Supplemental Security Income (SSI) does not count as “qualifying income” for stimulus payment purposes.

The biggest mistake of all would be failing to file a 2007 return in order to receive the stimulus payment, especially for people who are eligible but who do not normally file a tax return because their income is low or nontaxable. People in this category can use a Form 1040A, provide a little information to complete the return and send it to the IRS by October 15. People also are urged to help friends, family or neighbors who may be in this category and unaware of their eligibility.

People who do not file a tax return by October 15 can still obtain their economic stimulus payments when they file their 2008 tax return. If they wait until next year to file, their payments will be based on their 2008 income and personal situations rather than on 2007 information.